

Clark K. Price
Pollution Spills Investigator

July 2, 1976

Violation of 40 CFR 112.3 - Diamond Head Oil Refining Co., Inc.,
Kearny, New Jersey

Henry Gluckstern, Attorney
Water Enforcement Branch

On April 28, 1976, at 10:00 a.m., Joe Marishak and I arrived at the Diamond Head Oil Refining Company in Kearny, New Jersey, to conduct an SPCC inspection. Mr. Russell Mahler, President of the Diamond Head Oil Refining Company, had replied to a 308 letter from this office on July 3, 1976. This reply is attached and it indicated that the facility had an SPCC Plan. The inspection was scheduled due to questions concerning the large oil lake located adjacent to the Diamond Head facility.

Upon arrival, we spoke to Mr. Ed Cincotta, Sales Manager. Neither Russell Mahler or Robert Mahler were in during our visit. Together we inspected the facility. The plant is in the waste oil reprocessing business and has approximately 440,000 gallons of oil storage capacity. The majority of the tanks are not diked and the ground beneath the tanks was oil saturated. Oil and water from numerous small leaks and spills was flowing towards the rear of the plant. Generally, the facility was old, in a state of disrepair, and very poorly maintained.

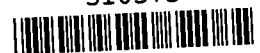
At the far rear of the plant are several open lagoons which contain oil and water. One of the lagoons has a discharge pipe extending to the large waste oil lake located adjacent to Diamond Head. Apparently, the oil and water that we observed flowing to the rear of Diamond Head property is caught in a sump and discharged into these lagoons where the oil is supposed to be separated and reused and the water discharged into the adjacent oil lake. The lake is on property belonging to the New Jersey State Department of Transportation (NJSDOT). The property is to be utilized for the extension of Interstate 280. A contract is about to be let for the removal of the oil by NJSDOT. The oil in the lagoon is apparently from a number of sources, one of which is the Diamond Head Oil Refining Co. A diagram of the area showing the proposed highway extension is attached.

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Following our inspection, we returned to the office to review the SPCC Plan. However, Mr. Cincotta could not locate a Plan. We explained to Mr. Cincotta that a violation existed for not having a copy available for review. He said that Mr. Bob Mahler handled these matters and that he would relay our concern to Mr. Mahler. I told Mr. Cincotta that the Plan should be submitted to this office by May 5, 1976.

On May 5, 1976, I received a phone call from Mr. Bob Mahler. He stated that Mr. Cincotta had just gotten through to him with our request for the SPCC Plan. He could not locate it and asked for an additional week to determine his status of compliance with the SPCC regulations.

On May 12, 1976, Mr. Mahler came to my office to discuss the compliance status of his company. He brought a copy of an SPCC Plan that was prepared along the API guidelines and that was certified on May 7, 1976. The Plan does follow the guidelines of 40 CFR 112.7 but it calls for very little diking of the numerous tanks at the facility.

Mr. Mahler explained that, while Diamond Head has been in operation for over 30 years, it had only recently been purchased by the Mahler's from the Phillips Screw Company and that they were attempting to make improvements as resources permitted.

I then asked Mr. Mahler why his father's reply in July 1975 to our 308 letter indicated that an SPCC Plan existed. Mr. Mahler stated that his father confused a general spill prevention plan required by county officials with the Plan we were requesting.

Mr. Mahler then stated that he felt Diamond Head was exempt from the SPCC regulations because it was not near any flowing water bodies and because no storm sewer systems were in the area. Diamond Head is located in a low marshy area and our initial inspection had revealed no nearby flowing water bodies.

Following Mr. Mahler's visit, the U. S. Coast Guard, COTP, New York office was contacted to determine whether or not Diamond Head had been cited for any oil spills in the past. No past violations were discovered.

On June 14, 1976, Joe Marishak discovered oil flowing off an abandoned piece of property located adjacent to Diamond Head Oil Refining Company. The oil was coming from the large oil lake and it was found to flow beneath Harrison Turnpike and into a marsh area. Following an investigation of the incident, Mike Polito determined that the marsh area constituted "navigable waters" as per PL 92-500 and, as such, could be cleaned up using the Federal Pollution Fund. This determination

was verified by Lt. Jurgens, USCG, and Pollution Fund Incident No. 1-6-0090 was assigned. This would make the oil lake a tributary to "navigable waters" and, as such, place the Diamond Head Oil Refining Company close enough to navigable waters to require them to have an SPCC Plan.

Since no Plan was prepared until May 7, 1976, the Diamond Head Oil Refining Company is in violation for failure to prepare and implement an SPCC Plan by the specified deadlines.

Attachments



DIVISION OF P. S. C. RESOURCES, INC.

LUBRICATING OILS AND GREASES

REFINERS • MARKETERS • EXPORTERS

1401 HARRISON TURNPIKE :: KEARNY, N. J. 07032

Telephones 991-5800 • 991-5801

July 3, 1975

Mr. Richard D. Spear, PH.D.
Chief
U.S.E.P.A.
Edison, N.J. 08817

Dear Sir:

We are in receipt of your letter of June 25, 1975.

Please be informed as follows,

1. Yes
2. Approx 400,000 gallons
3. None
4. Present ownership has been aboard since March 17, 1975.
We have no knowledge of any spills.
5. We do have a spill prevention and control program.
Our P.E. is Mr. Jack Kroop, 80 Lasalle Street, New
York, N.Y., 10027
6. Mr. Kroop has the information on the plan and will
be in touch with you.
7. Diamond Head Oil Refining Co.
201-991-5800
8. Only oil stored here.

Very truly yours,

Russell Mahler
President
RM/rk.

SPCC PLAN CHECKLIST

Date of Investigation: 4/28/76

Time of Investigation: 10:00 A.M.

- 1) Facility Name: Diamond Head Oil Refining 1.a) Owner:
Division of PSC Resources 1.b) Operator:
- 2) Location: 1401 Harrison Turnpike
Keary, N.J.
- 3) Classification of facility: Waste Cube oil reprocessors
- 4) Nearest navigable water: No normally flowing brooks. Heavy rains can cause runoff.
- 5) Spill history indicated (for previous 12 months): None

- 6) Responsible official: Ed Cincotta, Sales
- 7) Management official: Russ Mahler
Bob Mahler
- 8) P.E. certification: No Plan at the facility
- 9) Does Plan consider:

- a. Prediction of potential spills
- b. Facility drainage
- c. Topo maps
- d. Containment of bulk storage
- e. Facility for transfer operation
- f. Proper security
- g. Inspection and records procedure
- h. Training

Russ Mahler bought PSC Resources from Phillips Screw Company. Consequently Diamond Head is now owned by Russ Mahler. Told Mr. Cincotta to have Mr. Mahler send plan to our office by 5/5/76

- 10) Does Plan require construction of additional facilities?

If so, is it discussed in Plan (including schedule)

- 11) Storage capacity: 2-100,000 gallon tanks (diked) 7-15,000 gallon tanks
3-20,000 gallon tanks 3-6,500 gallon tanks
7-4,000 gallon tanks 6-1500 gallon
- 12) Number of hours facility is manned: blending tanks
- 13) NPDES Permit No. N/A 3-5,500 gallon tanks
- 14) Coast Guard Manual N/A 1-4,000 gallon #2 fuel
1-1,000 gallon #2 fuel

General Appraisal: Very sloppy run operation

Recommendation: _____

Signature of Investigator: _____

C. R. Price

4/28/76

